

Size Distribution of Income in 1961

**Average Family Income Tops \$7,000 for New Record—Upward Move Along Income Scale—
Distribution of Group Purchasing Power**

PERSONAL incomes of families and unattached individuals totaled over \$397 billion in 1961. The gain from 1960 amounted to \$13½ billion, an increase of about 3½ percent, compared with the \$18 billion increase registered in 1960 over 1959.

The Nation's families and unattached individuals increased by over a half million in 1961, with most of the gain in families with two or more members.

Average family income rose to \$7,020 in 1961, a gain over 1960 of almost \$200 per consumer unit. By year end

the total was higher as income rose substantially through the fourth quarter. When allowance is made for price increases, average real income of families and unattached individuals increased by somewhat less than \$100 per consumer unit, or about 1½ percent from the previous year.

With few exceptions, income per consumer unit in terms of real purchasing power has increased steadily throughout the postwar period. In constant dollars, the average family personal income in 1961 represented an increase of about 30 percent over 1947, equivalent to a growth rate of approximately 1.8 percent per year.

Upward shift in distribution of income

Increases in average family personal income resulted in an upward shift of units along the income scale. The usual effect of an income rise is a decrease in the number of units at the low levels of income with a concomitant increase in the higher income intervals. Table 2, which provides size distributions for recent years, shows a decline from 1960 to 1961 of about 2 percentage points in the number of units below \$4,000 with a corresponding rise in units above that income point. In terms of absolute numbers, the increase in units above \$10,000 was about 700,000.

The effect of these changes can be seen in the accompanying chart which shows the percent of units and of income in each of \$2,000 intervals in 1961. The largest concentration of units is found in the income class \$4,000 to \$6,000, which contains approximately 22 percent of all consumer units. The classes below and above this modal class show almost equal concentration, the three classes together accounting for almost 60 percent of all the units

in the distribution. Of particular interest is the growing percentage in the income intervals above \$10,000 where over 17 percent of all units were found in 1961.

As compared with the average (mean) income of \$7,020 for 1961, the most frequent income per family (mode) was \$4,660. The median, or middle income of the distribution, i.e., the point above and below which one-half of the families fall, was \$5,720.

Table 1.—Average Family Personal Income Before and After Federal Individual Income Tax Liability and Average Annual Earnings Per Full-Time Employee

	Number of families and unattached individuals (millions)	Average (mean) personal income per family and unattached individual				Average (mean) annual earnings per full-time employee (in current dollars)
		Before tax		After tax		
		In current dollars	In 1961 dollars ¹	In current dollars	In 1961 dollars ¹	
1929....	36.1	\$2,340	\$4,220	\$2,230	\$4,100	\$1,402
1947....	44.7	4,130	5,430	2,723	4,800	2,688
1948....	46.2	4,350	5,418	4,010	4,960	2,765
1949....	47.8	4,170	5,230	2,861	4,840	2,861
1950....	48.8	4,440	5,490	4,070	5,030	3,083
1951....	49.5	4,600	5,690	4,230	5,120	3,231
1952....	50.2	5,120	5,820	4,670	5,190	3,414
1953....	50.6	5,290	5,990	4,850	5,450	3,687
1954....	51.2	5,390	6,000	4,940	5,590	3,870
1955....	52.2	5,640	6,280	5,060	5,640	3,847
1956....	52.6	5,610	6,280	5,030	5,600	4,030
1957....	53.6	5,290	6,610	4,810	5,940	4,265
1958....	54.0	5,280	6,530	5,070	5,890	4,340
1959....	55.3	5,610	6,790	5,230	6,100	4,687
1960....	56.1	5,840	6,990	5,460	6,230	4,705
1961....	60.6	7,020	7,020	6,220	6,320	4,857

1. The price indexes used as deflators are those employed in deflating the personal consumption expenditure series in the national income accounts.

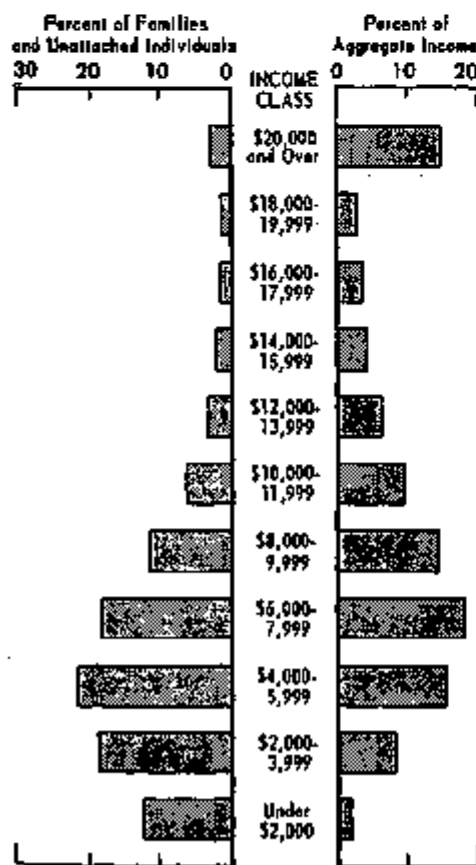
2. Includes Alaska and Hawaii.

Rise in real incomes

Table 3 provides distributions of the real incomes of families and unattached individuals. Included with data for the last 4 years, is a distribution for the early postwar year 1947 as well as for the prewar years, 1929 and 1941. Although based on less reliable data sources, the distributions for the prewar years are believed to be sufficiently

DISTRIBUTION OF FAMILY PERSONAL INCOME IN 1961

Families in the \$4,000-9,999 Groups Have Half of Buying Power
The \$10,000-15,999 Market Has Another 20 Percent

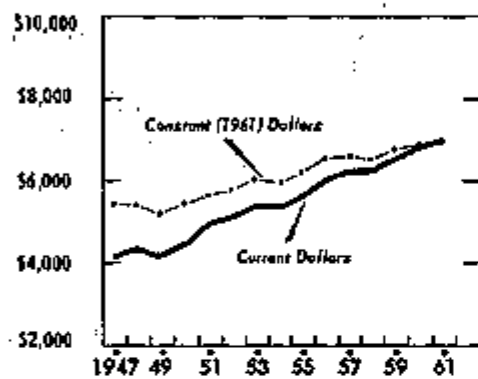


accurate to permit comparisons with the real income distributions of the present period. All the distributions in table 3 have been adjusted for price change and are in terms of 1961 dollars.

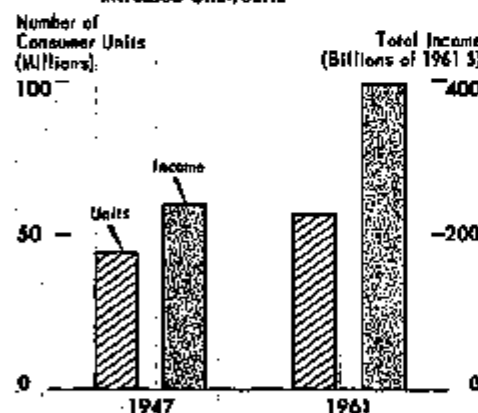
For the years shown, the percent of units in the class below \$2,000 has shown a steady decline over the entire period. At the same time, the percent

AVERAGE FAMILY INCOME HAS MOVED UP IN THE POSTWAR PERIOD

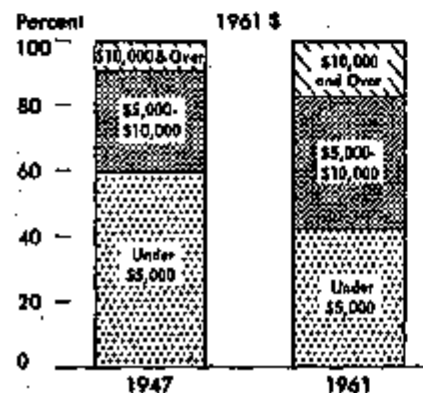
Average of \$7,000 Today Compares With \$5,000 a Decade Ago
Purchasing Power of This Income Is More Than One-Eighth Higher



GROWTH IN TOTAL REAL INCOME HAS BEEN NEARLY TWO-THIRDS
Nations' Consumer Units Have Increased One-Fourth



MORE FAMILIES HAVE MOVED INTO HIGHER INCOME BRACKETS



of units at high levels has shown a continued increase. As shown in the accompanying chart, the percent of units above \$10,000 has approximately doubled since 1947, from 9 percent to approximately 17 percent. Over the same period, the percent of units classified below \$5,000 declined by about 17 percentage points.

Changes in income dispersion

With the rise in family personal income and the upward shift of units along the income scale, it is interesting to examine the extent to which the income distribution has moved toward a greater or lesser dispersion of incomes. For the period prior to World War II, the changes in dispersion which did occur were in the direction of a more equal distribution.

The changes in income dispersion, which have been noted for the postwar period, have been very small in view of the magnitude of possible errors of estimation. For the more recent period, these changes can be examined

in table 10. This table shows the proportion of total personal income which is received by each of several segments of the distribution. For convenience, the segments have been made equal and consist of "quintiles," or groups, containing 20 percent of consumer units. Data on the upper five percent are also included.

With the distributions arranged in this form, it is possible to examine changes in the underlying relative distribution by noting differences between the percents of total income received by each quintile in successive years. Specifically, if no change in relative distribution occurred between any 2 years, the percent of total income in each segment would remain constant no matter what the movement in average personal income over the period. Data for this table are available only through 1960.

The virtual stability of the relative distribution in recent years can be seen by an examination of the first column.

Table 2.—Distribution of Consumer Units and Their Income by Family Income Level, 1947 and 1955-61

Family personal income (before income taxes)	Number of families and unattached individuals (millions)								Aggregate family personal income (billions of dollars)									
	1947	1955	1956	1957	1958	1959	1960	1961	1947	1955	1956	1957	1958	1959	1960	1961	1961	1961
Under \$2,000.....	11.1	8.2	7.7	7.6	7.7	7.5	7.2	6.8	13.2	9.3	8.7	8.6	8.5	8.4	8.4	8.4	8.4	7.6
\$2,000-\$3,999.....	17.1	13.3	12.2	11.0	10.1	11.4	11.0	10.7	41.2	30.7	27.4	26.2	27.1	26.2	27.1	26.2	27.1	32.7
\$4,000-\$5,999.....	9.2	13.8	13.0	13.0	13.0	12.4	12.4	12.4	44.6	47.7	47.3	44.6	44.6	44.6	44.6	44.6	44.6	61.9
\$6,000-\$7,999.....	3.8	6.6	6.8	6.3	6.4	6.0	6.0	6.0	20.0	28.5	28.5	28.5	28.5	28.5	28.5	28.5	28.5	72.6
\$8,000-\$9,999.....	1.5	3.7	4.5	5.0	5.1	5.7	6.1	6.4	13.3	32.0	30.7	34.3	34.3	34.3	34.3	34.3	34.3	58.8
\$10,000-\$14,999.....	1.2	3.1	3.8	4.3	4.7	5.3	5.8	6.2	14.3	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	73.9
\$15,000 and over.....	.8	1.8	2.2	2.6	2.6	3.1	3.4	3.7	22.1	48.0	47.3	47.3	47.3	47.3	47.3	47.3	47.3	92.1
Total.....	44.7	52.2	52.8	53.0	54.8	55.3	58.1	59.6	184.8	284.2	277.4	284.8	284.8	284.8	284.8	284.8	284.8	397.2
Percent distribution																		
Under \$2,000.....	25	15	15	14	14	14	12	12	7	3	3	3	3	3	3	3	3	2
\$2,000-\$3,999.....	38	25	23	22	22	21	20	20	28	14	12	11	11	11	11	11	11	8
\$4,000-\$5,999.....	20	26	26	24	24	22	22	22	24	24	21	21	21	21	21	21	21	16
\$6,000-\$7,999.....	9	10	17	18	17	18	18	18	14	20	19	19	19	19	19	19	19	18
\$8,000-\$9,999.....	3	7	8	9	9	10	11	11	7	21	13	13	13	13	13	13	13	14
\$10,000-\$14,999.....	3	6	7	8	9	9	10	11	8	22	14	10	10	10	10	10	10	10
\$15,000 and over.....	2	4	4	5	5	6	6	6	12	17	18	19	19	19	19	19	19	23
Total.....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

1. Includes Alaska and Hawaii.

Table 3.—Distribution of Consumer Units by Real Income Level, 1929, 1941, 1947 and 1958-61

Family personal income in 1961 dollars (before income taxes)	Number of families and unattached individuals (millions)								Percent distribution									
	1929	1941	1947	1958	1959	1960	1961	1929	1941	1947	1958	1959	1960	1961	1961	1961	1961	1961
Under \$2,000.....	11.3	11.4	7.3	7.3	7.2	7.1	6.8	21	25	16	13	13	13	13	13	13	13	13
\$2,000-\$3,999.....	13.9	12.0	12.7	11.3	11.0	10.8	10.7	30	29	28	21	20	20	20	20	20	20	19
\$4,000-\$5,999.....	6.8	9.2	11.7	12.7	12.2	12.3	12.4	15	23	23	23	23	23	23	23	23	23	23
\$6,000-\$7,999.....	2.4	4.7	6.0	6.7	10.0	10.3	10.1	7	11	14	19	18	18	18	18	18	18	18
\$8,000-\$9,999.....	1.1	1.8	3.0	3.4	5.0	5.0	5.4	3	4	7	10	11	11	11	11	11	11	11
\$10,000-\$14,999.....	1.0	2.8	2.8	3.1	3.7	3.0	3.2	5	6	8	10	10	10	10	10	10	10	10
\$15,000 and over.....	1.0	2.8	2.8	3.1	3.7	3.0	3.2	5	6	8	10	10	10	10	10	10	10	10
Total.....	86.1	41.4	44.7	54.0	55.3	58.1	59.6	100	100	100	100	100	100	100	100	100	100	100

1. Includes Alaska and Hawaii.

Table 4.—Distribution of Consumer Units and Their Family Personal Income by Family Personal Income Level, Selected Years, 1944, 1946, 1947, 1950 and 1955-60

Family personal income (before income taxes)	Number of families and unattached individuals (thousands)										Aggregate family personal income (billions of dollars)									
	1944	1946	1947	1950	1955	1956	1957	1958	1959	1960 ¹	1944	1946	1947	1950	1955	1956	1957	1958	1959	1960 ¹
Under \$1,000	4,382	3,828	3,748	3,801	3,941	7,713	7,041	7,080	7,511	7,218	2,300	2,017	1,979	1,943	2,320	2,017	1,979	1,943	2,320	2,017
\$1,000-\$1,999	8,306	7,806	7,370	7,454	8,541	8,367	8,374	8,510	8,234	8,083	12,358	11,530	11,231	11,333	12,358	11,530	11,231	11,333	12,358	11,530
\$2,000-\$2,999	8,702	8,791	8,459	8,601	9,917	9,796	9,744	9,810	9,234	9,083	21,038	22,007	21,170	20,273	21,038	22,007	21,170	20,273	21,038	22,007
\$3,000-\$3,999	7,723	8,280	8,628	8,588	7,939	8,796	8,490	8,030	8,129	8,080	20,000	22,000	23,046	20,000	20,000	22,000	23,046	20,000	20,000	22,000
\$4,000-\$4,999	4,833	4,864	5,725	7,054	7,328	7,491	8,800	8,870	8,413	8,327	20,281	23,950	26,088	31,033	33,022	33,391	30,623	30,867	28,632	25,463
\$5,000-\$5,999	2,516	3,065	3,474	4,094	4,321	4,361	4,201	4,228	4,021	4,035	13,739	16,725	18,057	22,003	34,648	34,203	33,080	31,207	33,154	33,002
\$6,000-\$6,999	2,280	2,647	3,161	3,850	4,025	7,203	7,532	7,598	7,817	8,007	14,942	16,833	20,613	26,678	40,311	40,185	40,472	50,877	52,474	53,813
\$7,000-\$9,999	1,388	1,761	2,170	2,758	3,508	4,116	6,778	6,679	7,722	8,238	11,802	14,006	18,464	23,364	44,408	52,464	50,169	50,117	60,816	70,775
\$10,000-\$14,999	707	1,070	1,180	1,550	3,008	3,704	4,312	4,000	4,270	4,483	4,483	12,784	14,300	18,310	30,016	40,066	51,883	55,802	62,051	60,011
\$15,000-\$19,999	248	343	380	414	883	1,112	1,280	1,872	1,729	2,213	4,213	5,092	6,580	7,083	10,120	19,051	22,117	23,615	20,482	20,813
\$20,000-\$24,999	105	143	167	218	378	432	495	518	682	842	2,805	3,700	4,826	5,882	8,632	9,631	11,000	11,511	12,015	12,015
\$25,000-\$29,999	140	191	208	204	482	512	564	577	633	633	4,004	4,305	4,679	5,743	10,140	17,242	18,003	19,178	20,002	20,400
\$30,000 and over	40	44	55	84	115	135	147	150	179	179	3,007	4,837	4,003	7,000	10,213	11,540	12,030	12,715	16,172	16,172
Total	44,888	43,328	44,746	48,990	52,179	52,846	62,650	64,629	65,386	60,090	147,721	178,785	224,538	217,202	284,228	327,448	334,647	345,287	385,432	385,719
Average (mean) family personal income											\$3,014	\$3,940	\$4,120	\$4,444	\$5,640	\$6,007	\$6,238	\$6,281	\$6,008	\$6,545
	Percent distribution																			
	1944	1946	1947	1950	1955	1956	1957	1958	1959	1960 ¹	1944	1946	1947	1950	1955	1956	1957	1958	1959	1960 ¹
Under \$1,000	10.7	8.8	8.4	7.9	7.6	14.0	14.2	14.1	13.6	12.0	1.6	1.2	1.1	0.9	3.2	2.7	2.6	2.5	2.3	2.1
\$1,000-\$1,999	18.6	17.6	16.5	15.3	16.3	16.0	14.2	14.1	13.6	12.0	8.4	8.9	8.1	8.2	8.2	8.3	8.0	8.0	8.0	8.3
\$2,000-\$2,999	21.4	20.3	18.9	18.0	11.3	12.0	12.1	12.1	11.1	10.0	14.9	12.9	11.5	11.5	6.2	4.7	4.0	4.0	3.6	3.3
\$3,000-\$3,999	18.9	19.8	19.3	17.0	14.1	12.0	12.1	12.1	11.1	10.0	18.3	17.8	16.3	13.8	8.9	7.5	6.6	6.6	5.9	5.3
\$4,000-\$4,999	11.1	12.4	12.8	14.4	14.0	12.0	12.7	12.0	11.4	11.3	13.7	14.0	13.8	14.5	11.2	10.0	9.1	8.9	7.9	7.4
\$5,000-\$5,999	6.2	7.1	7.8	8.6	12.1	11.8	11.0	11.4	10.9	10.7	5.3	6.8	10.2	11.8	11.8	10.6	10.1	10.0	9.1	8.6
\$6,000-\$6,999	5.5	5.0	5.0	5.9	12.3	13.0	14.1	12.8	14.1	14.3	10.1	9.9	11.3	11.8	15.2	15.1	14.8	14.8	14.4	14.0
\$7,000-\$9,999	3.4	4.0	4.8	5.6	10.0	11.0	12.0	12.0	14.0	14.7	8.0	8.7	10.0	10.8	16.1	17.4	17.2	18.2	18.4	18.4
\$10,000-\$14,999	1.7	2.6	2.7	3.1	5.9	7.2	8.0	8.5	9.0	10.4	5.7	7.5	7.7	8.4	12.5	14.4	14.5	10.3	17.2	18.2
\$15,000-\$19,999	0.6	0.8	0.8	0.8	1.7	2.1	2.4	2.5	3.1	3.0	2.9	3.3	3.6	3.3	5.1	6.6	6.6	6.6	6.1	6.1
\$20,000-\$24,999	0.3	0.3	0.4	0.4	0.7	0.8	0.9	0.9	1.0	1.0	1.6	1.0	2.0	2.2	3.8	3.0	3.3	3.4	3.5	3.5
\$25,000-\$29,999	0.2	0.4	0.5	0.6	0.9	1.0	1.1	1.1	1.1	1.1	3.1	3.7	3.7	4.5	5.1	5.4	5.7	5.0	6.7	6.7
\$30,000 and over	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.3	2.4	2.8	2.7	4.5	3.5	3.7	3.9	3.7	4.1	4.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

¹ Includes Alaska and Hawaii.

The two lowest quintiles experienced slight decreases in their share of income received. The third, or middle quintile, which is included within the income range \$4,660 to \$6,540 in 1960, shows almost complete constancy while the upper two quintiles enjoyed increases in their share of total income. The gains in the highest quintile, however, appear to be concentrated in the lower part of that segment, since the share of the upper five percent of the distribution decreased slightly. It must be emphasized that decreases in share do not imply decreases in average income for the particular segment over the period but merely register differential effects among groups. Thus, an examination of mean incomes for the segments given in the same table shows increases for all quintiles over the period.

A comparison of the distribution for 1960 with that for the early postwar year 1947 shows that the more recent year has somewhat smaller percentages in both the lowest and highest quintiles with the second quintile remaining

unchanged and the next two showing improved positions.

Data which would permit a full analysis of these changes are not available. It is possible, however, to point out some factors which appear to be relevant over the recent period.

Effect of older age groups

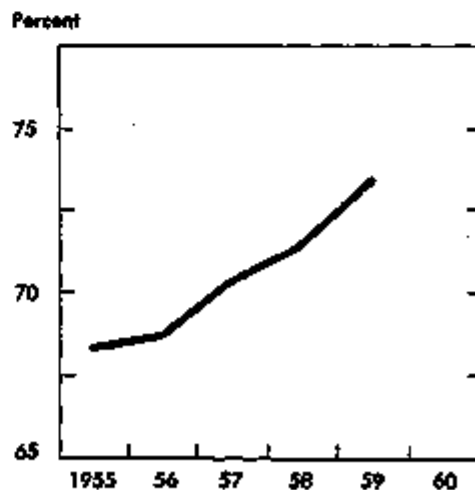
The reduced share of the lowest quintile appears to be at least partly due to changes in the characteristics of our population which have been in evidence for some years. When these changes are taken into account, the decline in percentage share is not surprising. The characteristics of importance in this connection are the gradual aging of the population and the growing importance of social security benefits and other transfer payments which provide the means for the establishment and maintenance of separate households for the elderly.

The number of families with family heads in the older age category is constantly increasing. According to a recent Bureau of the Census study, the number of such families with heads aged

65 and over increased by about two percentage points over the last decade. Such families, according to the same study, characteristically list fewer family members than the average family,

DIVIDENDS MORE WIDELY DISTRIBUTED

Percent of Dividend Receivers at Lower Income Levels Increasing as Ownership Base Broadens*



*Based on adjusted gross income classes outside of the top five percent of tax return distribution.

Date: 1RS

Table 5.—Distribution of Families and Their Family Personal Income by Family Personal Income Level, 1955-60

Family personal income (before income taxes)	Number of families (thousands)						Aggregate family personal income (millions of dollars)					
	1955	1956	1957	1958	1959	1960 ¹	1955	1956	1957	1958	1959	1960 ¹
Under \$2,000	3,918	3,664	3,573	3,511	3,500	3,287	4,890	4,500	4,376	4,291	4,259	3,987
\$2,000-\$2,999	3,896	3,315	3,279	3,230	3,193	3,080	4,030	3,441	3,251	3,444	3,582	3,583
\$3,000-\$3,999	5,842	5,373	5,309	5,211	5,182	4,185	23,793	19,017	17,135	17,299	15,468	14,045
\$4,000-\$4,999	5,581	5,329	5,327	5,233	5,288	5,065	39,000	34,461	34,270	34,323	33,742	32,973
\$5,000-\$5,999	5,943	5,788	5,660	5,527	5,391	5,330	33,559	31,745	31,916	30,936	30,044	29,253
\$6,000-\$6,999	6,704	6,185	6,125	6,025	5,980	5,490	44,843	40,293	40,327	39,419	38,585	36,448
\$7,000-\$9,999	5,086	5,054	5,050	4,964	4,980	4,773	33,292	31,110	30,501	29,774	29,203	28,522
\$10,000-\$14,999	2,002	2,714	2,717	2,602	2,147	1,490	20,126	44,720	50,751	54,595	61,502	67,091
\$15,000-\$19,999	964	1,080	1,204	1,244	1,095	858	14,905	18,065	21,679	23,031	25,991	28,991
\$20,000-\$24,999	367	421	453	506	555	546	8,190	9,305	10,744	11,281	12,023	12,824
\$25,000-\$49,999	420	490	644	616	610	510	14,400	16,051	16,273	18,424	20,103	21,336
\$50,000 and over	118	128	140	143	171	171	9,090	10,051	11,909	11,973	14,336	14,336
Total	42,979	43,290	43,670	44,126	44,780	45,470	258,329	250,055	265,335	271,727	272,012	269,166
Average (mean) family personal income							\$6,303	\$5,708	\$6,192	\$6,005	\$6,428	\$6,096
Percent distribution												
Under \$2,000	9.3	8.4	8.2	8.0	7.8	7.2	1.8	1.0	1.6	1.4	1.3	1.1
\$2,000-\$2,999	9.0	7.7	7.5	7.4	7.1	6.8	3.0	2.9	2.7	2.7	2.4	2.3
\$3,000-\$3,999	13.7	12.2	11.1	11.1	9.8	9.3	7.7	6.4	6.0	5.0	4.7	4.3
\$4,000-\$4,999	15.4	16.1	12.3	13.0	11.7	11.2	11.0	16.1	8.0	8.3	7.1	6.0
\$5,000-\$5,999	13.8	13.4	13.0	12.7	12.8	11.7	12.1	10.9	10.2	9.0	8.9	8.4
\$6,000-\$6,999	15.7	10.0	10.5	10.4	10.5	10.7	10.7	10.0	10.8	10.5	10.8	10.4
\$7,000-\$9,999	11.9	13.7	15.1	15.1	16.7	17.6	10.1	17.6	18.5	16.4	16.2	16.0
\$10,000-\$14,999	7.0	6.0	6.7	10.3	11.5	12.6	13.5	16.4	10.0	17.5	18.5	19.5
\$15,000-\$19,999	2.8	2.6	2.9	3.0	2.6	2.6	5.5	6.4	7.1	7.4	8.7	8.7
\$20,000-\$24,999	.9	1.0	1.1	1.2	1.3	1.4	3.0	3.2	3.0	3.0	3.8	3.8
\$25,000-\$49,999	1.0	1.1	1.2	1.3	1.4	1.4	5.4	5.7	6.0	5.8	6.1	6.1
\$50,000 and over	.3	.3	.3	.3	.4	.4	3.0	3.8	3.9	3.9	4.3	4.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1. Includes Alaska and Hawaii.

Table 6.—Distribution of Unattached Individuals and Their Family Personal Income by Family Personal Income Level, 1955-60

Family personal income (before income taxes)	Number of unattached individuals (thousands)						Aggregate family personal income (millions of dollars)					
	1955	1956	1957	1958	1959	1960 ¹	1955	1956	1957	1958	1959	1960 ¹
Under \$2,000	4,293	4,040	4,086	4,109	4,006	3,926	4,430	4,188	4,209	4,304	4,121	4,053
\$2,000-\$2,999	3,106	2,682	2,685	2,171	2,121	2,078	3,235	3,104	3,222	3,403	3,351	3,184
\$3,000-\$3,999	1,477	1,817	1,821	1,718	1,734	1,778	5,112	5,263	5,023	5,060	5,023	5,142
\$4,000-\$4,999	767	868	980	1,077	1,115	1,222	3,412	3,830	4,347	4,775	5,060	5,490
\$5,000-\$5,999	378	453	540	601	642	698	2,048	2,443	2,990	3,277	3,589	3,750
\$6,000-\$6,999	221	308	321	371	437	449	1,468	1,772	2,145	2,468	2,828	2,955
\$7,000-\$9,999	188	261	293	315	287	283	1,170	1,368	1,651	1,837	2,022	2,258
\$10,000-\$14,999	66	81	85	107	103	143	779	848	1,123	1,287	1,450	1,690
\$15,000-\$19,999	10	22	25	28	31	34	324	353	438	494	526	566
\$20,000-\$24,999	11	12	12	18	13	13	242	218	262	280	292	292
\$25,000-\$49,999	16	17	20	22	24	24	545	591	680	744	790	805
\$50,000 and over	6	6	7	8	9	9	523	596	673	742	805	805
Total	9,590	9,590	9,965	10,604	10,580	10,494	26,900	26,762	29,211	31,530	32,028	34,563
Average (mean) family personal income							\$2,802	\$2,816	\$2,937	\$3,003	\$3,120	\$3,232
Percent distribution												
Under \$2,000	45.2	42.6	40.8	39.7	38.1	36.7	17.6	15.7	14.4	13.0	12.6	11.7
\$2,000-\$2,999	23.2	21.6	21.0	20.7	20.5	19.4	20.7	19.1	17.8	17.1	16.1	15.0
\$3,000-\$3,999	15.5	16.0	16.3	16.4	16.6	16.6	20.3	19.7	19.2	18.0	18.4	17.8
\$4,000-\$4,999	8.1	8.7	9.6	10.3	10.6	11.5	13.4	14.3	14.8	15.2	15.5	15.9
\$5,000-\$5,999	4.8	4.8	5.4	5.7	6.1	6.4	8.1	9.2	10.0	10.4	10.7	10.9
\$6,000-\$6,999	2.3	2.8	3.3	3.6	4.1	4.8	5.8	6.0	7.3	7.8	8.8	9.7
\$7,000-\$9,999	1.4	1.7	1.9	2.0	2.2	2.5	4.8	5.1	6.7	5.8	6.2	6.5
\$10,000-\$14,999	.7	.8	1.0	1.0	1.3	1.3	3.1	3.0	3.8	4.0	4.4	4.9
\$15,000-\$19,999	.2	.2	.3	.3	.3	.3	1.2	1.4	1.5	1.6	1.6	1.6
\$20,000-\$24,999	.1	.1	.1	.1	.1	.1	1.8	.9	.9	.8	.7	.7
\$25,000-\$49,999	.2	.2	.2	.2	.2	.2	2.2	2.3	2.3	2.4	2.4	2.4
\$50,000 and over	.1	.1	.1	.1	.1	.1	2.1	2.3	2.3	2.4	2.4	2.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1. Includes Alaska and Hawaii.

manifest smaller participation in the labor force, and are therefore more dependent on income sources other than wages or entrepreneurial earnings.

The increased importance of retired families is also suggested by additional Census data which show an increase over the past decade in the percent of families listing no earners. Thus, families in this category constituted 6.4 percent of all families over the period 1952-56. For the period 1957-60, the same group averaged 7 percent. It is to be expected that a group within the population which does not share fully in productive activity would experience less than average gains in income.

The increasing role of private pensions and social security payments is also of importance. It is not merely that such income is characteristically less than former earnings but, more importantly, the presence of such income permits separate residence and independent economic life for many recipients. Many units also succeed in maintaining separate economic status by drawing on accumulated savings. This splintering of consumer units in a manner which increases the number in the low income classes may reflect the growing independence of an important segment of the population but will have adverse effects on measures of income dispersion.

Proportion of multi-earner families increasing

It is difficult to point to specific factors operating to increase the percentages in the fourth and fifth quintiles. Since there has been an increase in the number of professional and managerial workers in recent years, it would appear that some occupational shifts are involved. But it appears equally likely that the changes are due to the increased participation of some consumer units in productive activity. This is evident from Census surveys made over the past decade which show an increase in the percentage of families listing three or more earners per family. For the period 1952-56, for example, families in this group averaged about 9.1 percent of all families, while over the 1957-60 period the percentage was 10.2. For the last year, 1960, the per-

centage reached the high of 10.6 percent of all families. Over the same period, declines were registered by families having only one earner.

These changes appear to be taking place despite an overall decrease in the number of employed per consumer unit. Over the past decade, the number of employed persons per consumer unit has declined, but the decline is apparently explained by the growing proportion of families having no earners already mentioned in connection with the low income groups.

For families which show increases in the number of earners, income gains can be substantial. Bureau of the Census data show that median incomes for two or more earner families lie well above the median for the whole distribution. It would appear likely, therefore, that the increased labor force participation of such families would increase the share of the upper portion of the distribution.

Dividends more widely distributed

The increased participation of some families in productive activity is not necessarily confined to the case of additional earners. Increased holdings of income producing assets can have a similar though undoubtedly less pronounced effect. Over the past decade, for example, there has occurred a marked increase in the ownership of stock. Estimates of such ownership have shown almost a doubling over the period. There is evidence from Internal Revenue Service data that the total incomes of the new owners of such assets also lie well above the average for the entire distribution.

It appears that a substantial broadening of the dividend base has occurred. In 1959, 8 percent of all tax returns reported receipt of dividends. The accompanying chart shows the percent of dividend recipients who were classified below the high income category. For purposes of this analysis, the upper five percent of all tax returns has been taken as the group with high incomes. In 1959, this category of returns had incomes in excess of \$11,000. The chart shows an increasing proportion of returns with dividends classified in the lower portions of the tax return distribution. In 1955, for example, approxi-

Table 7.—Distribution of Farm Operator Families and Their Family Personal Income by Family Personal Income Level, 1955-60

Family personal income (before income taxes)	Number of farm operator families (thousands)						Aggregate family personal income (millions of dollars)					
	1955	1959	1957	1958	1959	1960 ¹	1955	1959	1957	1958	1959	1960 ¹
Under \$2,000.....	1,000	1,508	1,427	1,216	1,267	1,104	1,986	1,887	1,793	1,682	1,636	1,455
\$2,000-\$2,999.....	972	944	911	850	839	813	2,408	2,330	2,258	2,100	2,128	2,018
\$3,000-\$3,999.....	773	764	730	699	690	660	2,090	2,023	2,003	2,435	2,498	2,334
\$4,000-\$4,999.....	640	639	620	623	612	518	2,447	2,482	2,400	2,422	2,289	2,305
\$5,000-\$5,999.....	383	387	380	403	384	391	2,053	2,110	2,127	2,230	2,100	2,141
\$6,000-\$6,999.....	330	346	353	407	391	380	2,233	2,292	2,351	2,719	2,411	2,598
\$7,000-\$7,999.....	240	249	256	316	303	290	2,050	2,136	2,180	2,633	2,348	2,530
\$10,000-\$14,999.....	163	148	164	200	198	191	1,830	1,890	1,877	2,387	2,018	2,379
\$15,000-\$19,999.....	42	46	40	69	49	40	781	781	782	1,018	832	832
\$20,000-\$24,999.....	78	19	19	21	20	20	380	410	427	437	447	447
\$25,000-\$49,999.....	21	21	22	27	23	23	694	720	714	872	740	740
\$50,000 and over.....	4	6	5	8	5	5	371	387	431	630	448	448
Total.....	6,067	4,069	4,556	4,749	4,641	4,540	19,327	19,362	19,065	21,468	19,745	20,580
Average (mean) family personal income.....							\$3,917	\$4,015	\$4,111	\$4,321	\$4,252	\$4,519

Percent distribution

Under \$2,000.....	31.5	30.3	29.4	25.6	28.0	25.6	10.9	8.5	9.0	7.2	8.3	7.2
\$2,000-\$2,999.....	16.1	16.0	15.5	17.9	18.5	17.8	12.1	11.7	11.2	9.6	10.6	9.6
\$3,000-\$3,999.....	15.2	15.2	15.1	14.7	15.1	14.7	12.4	12.1	12.8	11.4	12.3	11.4
\$4,000-\$4,999.....	10.7	10.8	10.9	11.4	11.0	11.4	12.3	12.0	11.8	11.3	11.0	11.3
\$5,000-\$5,999.....	7.8	7.8	8.0	8.5	8.3	8.6	10.6	10.6	10.7	10.4	10.0	10.4
\$6,000-\$6,999.....	6.0	6.0	7.3	8.4	7.9	8.0	11.2	11.6	11.9	12.7	12.2	12.7
\$7,000-\$7,999.....	4.7	5.0	5.3	6.6	6.6	6.5	10.3	10.7	11.0	12.4	11.4	12.3
\$10,000-\$14,999.....	3.0	3.2	3.4	4.2	4.2	4.2	9.3	9.3	8.8	11.1	10.2	11.1
\$15,000-\$19,999.....	.8	.9	.9	1.3	1.1	1.1	3.8	3.8	3.9	4.7	4.2	4.2
\$20,000-\$24,999.....	.4	.4	.4	.5	.6	.6	2.0	2.1	2.1	2.6	2.3	2.3
\$25,000-\$49,999.....	.4	.4	.4	.6	.5	.5	3.5	3.6	3.6	4.1	3.8	3.8
\$50,000 and over.....	.1	.1	.1	.1	.1	.1	1.9	1.9	2.2	2.6	2.3	2.3
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1. Includes Alaska and Hawaii.

Table 8.—Distribution of Nonfarm Families and Their Family Personal Income by Family Personal Income Level, 1955-60

Family personal income (before income taxes)	Number of nonfarm families (thousands)						Aggregate family personal income (millions of dollars)					
	1955	1959	1957	1958	1959	1960 ¹	1955	1959	1957	1958	1959	1960 ¹
Under \$2,000.....	2,347	2,148	2,140	2,285	2,200	2,124	2,804	2,612	2,683	2,729	2,622	2,582
\$2,000-\$2,999.....	2,837	2,401	2,308	2,480	2,305	2,193	7,227	6,107	6,003	6,335	6,556	6,565
\$3,000-\$3,999.....	6,090	4,822	4,133	4,213	3,603	3,480	18,023	16,665	14,573	14,858	13,822	12,311
\$4,000-\$4,999.....	6,015	6,003	5,208	5,191	4,765	4,679	22,163	27,090	22,910	23,400	21,422	20,609
\$5,000-\$5,999.....	6,600	5,400	5,271	5,219	5,007	4,929	30,507	26,020	26,014	26,603	27,544	27,112
\$6,000-\$6,999.....	6,385	6,391	6,375	6,810	7,010	7,100	42,016	44,101	45,973	46,700	47,174	47,838
\$7,000-\$7,999.....	4,825	4,791	4,330	4,364	7,223	7,077	41,233	48,986	54,312	54,621	52,845	55,992
\$10,000-\$14,999.....	2,830	3,055	4,054	4,304	4,078	4,460	34,306	42,334	48,804	52,238	57,483	65,652
\$15,000-\$19,999.....	823	1,040	1,218	1,284	1,040	1,040	14,084	17,547	20,892	22,016	25,124	27,124
\$20,000-\$24,999.....	348	402	464	423	548	548	7,740	8,657	10,317	10,084	12,170	12,170
\$25,000-\$49,999.....	415	473	522	528	587	587	13,002	15,032	17,690	17,302	19,453	21,453
\$50,000 and over.....	185	124	136	130	158	158	9,318	10,504	11,634	11,443	12,018	12,018
Total.....	37,823	35,381	35,814	39,371	40,130	39,830	249,612	270,744	285,371	290,289	312,277	329,656
Average (mean) family personal income.....							\$6,625	\$7,654	\$7,532	\$7,373	\$7,705	\$8,049

Percent distribution

Under \$2,000.....	6.3	6.0	6.0	5.8	5.5	5.3	1.2	1.0	0.9	0.9	0.8	0.8
\$2,000-\$2,999.....	7.6	6.8	6.4	6.3	5.7	5.4	2.9	2.2	2.1	2.3	1.9	1.7
\$3,000-\$3,999.....	16.1	13.6	11.5	10.7	9.0	8.5	7.2	6.8	5.1	5.1	4.2	3.7
\$4,000-\$4,999.....	16.0	16.0	13.7	13.2	11.8	11.2	19.9	19.0	8.4	8.1	6.0	6.3
\$5,000-\$5,999.....	14.8	14.1	13.6	13.2	12.5	12.1	12.2	10.9	10.1	9.9	8.8	8.2
\$6,000-\$6,999.....	16.9	17.2	17.7	17.8	17.5	17.4	17.1	16.3	16.1	14.7	15.1	14.6
\$7,000-\$7,999.....	12.8	14.0	16.3	16.1	18.0	18.6	16.6	16.0	19.0	18.5	18.8	20.1
\$10,000-\$14,999.....	7.0	8.3	10.4	11.1	12.4	13.6	13.8	15.6	17.1	18.0	19.0	20.0
\$15,000-\$19,999.....	2.2	2.7	3.1	3.3	2.6	2.6	5.7	6.8	7.3	7.6	8.0	8.0
\$20,000-\$24,999.....	.9	1.0	1.2	1.2	1.4	1.4	3.1	3.5	3.6	3.7	2.9	2.9
\$25,000-\$49,999.....	1.1	1.2	1.3	1.3	1.5	1.5	5.0	5.9	6.2	6.0	6.2	6.2
\$50,000 and over.....	.3	.3	.4	.4	.4	.4	3.7	3.0	4.1	4.0	4.4	4.4
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1. Includes Alaska and Hawaii.

Table 9.—Number of Consumer Units and Persons, and Aggregate and Average Family Personal Income, 1955-60

Year	Families and unattached individuals						Families					Unattached individuals			
	Number of consumer units (millions)	Number of persons		Family personal income			Number of families (millions)	Number of persons		Family personal income			Number of unattached individuals (millions)	Family personal income	
		Total (millions)	Average number per consumer unit	Amount (billions of dollars)	Average income			Total (millions)	Average number per family	Amount (billions of dollars)	Per family (dollars)	Per capita (dollars)		Amount (billions of dollars)	Per capita (dollars)
					Per consumer unit (dollars)	Per capita (dollars)									
1955	52.2	102.7	3.12	204.2	3,940	1,808	42.7	153.2	3.76	268.9	6,363	1,756	9.8	25.8	2,603
1956	52.8	105.8	3.14	217.4	4,097	1,916	43.4	156.3	3.68	290.7	6,700	1,805	9.8	26.8	2,816
1957	53.9	109.0	3.15	234.0	4,338	2,080	43.7	160.0	3.64	305.3	6,992	1,920	10.0	30.3	2,937
1958	54.6	122.1	3.15	248.3	4,544	2,095	44.3	161.6	3.63	311.7	7,065	1,930	10.5	31.5	3,003
1959	55.3	125.1	3.17	265.4	4,800	2,257	44.8	161.5	3.67	322.6	7,428	2,021	10.5	32.8	3,120
1960	56.1	128.8	3.18	283.7	5,045	2,146	45.4	168.1	3.71	340.2	7,006	2,077	10.7	34.6	3,232

1. Includes Alaska and Hawaii.

Table 10.—Distribution of Family Personal Income and Federal Individual Income Tax Liability Among Quintiles and Top 5 Percent of Consumer Units, 1955-60¹

Quintile	Percent distribution of—			Mean amount of—			Tax rate (percent)	Lower income limit of quintile ²	
	Family personal income	Tax liability	After-tax income	Family personal income (dollars)	Tax liability (dollars)	After-tax income (dollars)		Before-tax basis (dollars)	After-tax basis (dollars)
1955: Lowest	4.3	1.4	6.2	1,355	30	1,310	2.9	2,300	2,250
2	11.3	6.0	11.0	3,200	165	2,835	5.1	2,300	2,250
3	10.4	10.9	17.0	4,801	285	4,336	6.4	3,928	3,713
4	22.3	18.0	22.7	8,200	520	5,770	8.3	6,378	4,980
Highest	48.2	62.8	43.2	12,722	1,735	10,984	13.6	7,410	5,750
Total	100.0	100.0	100.0	5,440	644	4,990	9.8		
Top 5 percent	20.3	39.2	18.2	22,308	4,317	18,076	18.9	13,070	11,790
1956: Lowest	4.8	1.5	6.2	1,437	40	1,397	2.8	2,540	2,470
2	11.2	6.2	11.0	3,403	168	3,235	5.0	2,540	2,470
3	16.8	11.0	16.9	4,808	333	4,475	6.9	4,170	3,920
4	22.3	18.0	22.6	8,001	571	5,120	8.6	5,680	5,210
Highest	44.9	62.3	43.4	13,004	1,880	11,124	12.8	7,000	7,260
Total	100.0	100.0	100.0	4,007	644	5,489	10.0		
Top 5 percent	20.2	38.3	18.1	24,210	4,053	20,558	19.2	13,000	12,490
1957: Lowest	4.7	1.6	6.0	1,433	48	1,414	3.3		
2	11.1	6.2	11.7	3,471	190	3,275	5.5	2,580	2,460
3	16.3	11.3	16.9	5,087	390	4,731	7.0	4,170	4,020
4	22.4	18.9	23.8	8,053	590	4,586	8.0	5,041	5,470
Highest	45.5	61.1	43.6	14,185	1,964	12,222	13.8	6,320	7,500
Total	100.0	100.0	100.0	5,238	636	4,945	10.1		
Top 5 percent	20.2	38.3	18.1	24,210	4,053	20,558	19.2	14,000	12,900
1958: Lowest	4.7	1.5	6.0	1,472	45	1,437	3.0		
2	11.0	6.0	11.0	3,430	188	3,242	5.5	2,610	2,400
3	16.3	11.3	16.8	5,115	383	4,732	7.5	4,390	4,030
4	22.0	18.1	22.9	7,008	687	6,321	8.3	5,070	5,220
Highest	45.6	61.9	43.7	14,232	1,905	12,327	13.3	8,430	7,730
Total	100.0	100.0	100.0	6,264	615	5,949	9.8		
Top 5 percent	20.0	37.6	18.1	26,174	4,625	24,495	18.4	14,700	13,080
1959: Lowest	4.0	1.6	4.9	1,513	53	1,456	3.5		
2	10.0	6.1	11.5	3,617	200	3,417	5.7	2,630	2,530
3	16.3	11.7	16.8	5,385	390	4,995	7.4	4,490	4,280
4	22.0	18.0	23.0	7,400	642	6,758	8.6	5,310	5,500
Highest	48.0	61.4	43.8	15,087	2,081	12,960	13.8	8,800	8,110
Total	100.0	100.0	100.0	6,068	675	5,932	10.2		
Top 5 percent	20.0	37.3	18.0	26,428	4,088	21,381	18.1	15,700	13,720
1960: Lowest	4.0	1.0	4.9	1,570	55	1,231	3.5		
2	11.0	6.2	11.6	3,758	211	3,547	5.6	2,800	2,670
3	16.3	11.8	16.8	5,581	408	5,173	7.3	4,080	4,370
4	22.0	18.0	23.0	7,721	643	7,078	8.3	5,510	5,010
Highest	46.8	61.0	43.8	15,589	2,108	13,479	13.5	8,380	8,410
Total	100.0	100.0	100.0	6,845	685	6,160	10.0		
Top 5 percent	20.0	37.3	18.1	27,368	5,118	22,256	19.7	16,250	14,220

1. Consumer units are ranked by size of family personal income. In addition to April 1962 issue of Survey of Current Business, see table 3 of "Income Distribution in the United States, by Size, 1944-50."

2. Rounded to nearest \$10.

3. Includes Alaska and Hawaii.

mately 68 percent of returns reporting dividends were in income groups below the upper five percent of the distribution. In 1959, the latest year for which IRS data are available, the comparable figure is 73 percent. Similar increases can be noted for the number of interest recipients although the distribution of income from this income source has always been less concentrated than is dividend income.

To the extent that such income sources accrue to consumer units formerly without them, increases in total income can again be larger than for units without such increments. These changes, which are apparently associated with higher levels of real income, suggest higher saving levels for a growing number of units and/or changes in types of assets held.

Changes at high income levels

As mentioned above, the upper 5 percent of consumer units did not participate in the relative increase shown for the quintile as a whole. Changes in the percent of total income received by the very high income group appear to be a continuation of the more pronounced movements which occurred during the period prior to World War II. The recent changes, however, are very slight, and may reflect among other factors—including possible shifts in the role of capital gains—some measure of estimation error. The decrease in share appears to have been halted, at least temporarily, in 1958 with the same percent of total income evident for both that year and the year following.

Table 11.—Distribution of Federal Individual Income Tax Liability of Consumer Units, Average Tax, Average Income, and Tax Rate, by Family Personal Income Level, 1955-60

Family personal income (before income taxes)	1955					1956					1957				
	Federal individual income tax liability			Average family personal income (dollars)	Tax rate (per- cent)	Federal individual income tax liability			Average family personal income (dollars)	Tax rate (per- cent)	Federal individual income tax liability			Average family personal income (dollars)	Tax rate (per- cent)
	Amount (millions of dollars)	Percent distri- bution	Average (dollars)			Amount (millions of dollars)	Percent distri- bution	Average (dollars)			Amount (millions of dollars)	Percent distri- bution	Average (dollars)		
Under \$1,000	204	0.7	25	1,132	2.2	186	0.6	25	1,126	2.2	197	0.6	26	1,123	2.2
\$1,000-\$2,999	654	2.4	116	2,613	4.6	656	2.0	121	2,611	4.5	650	1.9	121	2,589	4.2
\$3,000-\$4,999	1,357	4.8	188	3,518	6.4	1,323	4.2	165	3,514	5.6	1,277	3.8	157	3,507	4.6
\$5,000-\$9,999	2,047	7.1	279	4,800	8.2	2,093	6.6	293	4,803	8.3	1,935	5.7	284	4,690	6.9
\$10,000-\$14,999	2,765	9.0	409	5,482	7.6	2,672	8.1	412	5,481	7.5	2,633	7.5	408	5,485	7.5
\$15,000-\$19,999	2,853	10.1	575	6,688	8.8	4,147	13.0	678	6,687	8.8	4,271	12.5	568	6,683	8.5
\$20,000-\$24,999	4,643	16.1	779	8,547	8.1	4,776	15.0	781	8,583	8.1	4,191	15.4	706	8,578	8.0
\$25,000-\$34,999	3,737	13.0	1,216	12,031	10.1	4,600	14.4	1,212	12,037	10.1	5,122	15.2	1,188	12,032	9.9
\$35,000-\$49,999	1,844	6.8	2,800	17,120	12.8	2,443	7.7	2,167	17,161	12.8	2,712	8.2	2,150	17,164	12.5
\$50,000-\$74,999	1,323	4.6	3,400	22,170	15.2	1,906	4.7	3,494	22,266	15.7	1,091	5.0	3,417	22,244	15.4
\$75,000-\$99,999	3,160	11.0	0,997	33,524	20.9	3,687	11.2	7,904	33,067	20.8	3,867	11.4	0,869	33,622	20.4
\$100,000 and over	3,636	12.6	31,296	85,683	32.3	4,006	12.5	28,771	85,810	34.7	4,294	12.7	29,143	85,760	34.0
Total	28,746	100.0	580	5,818	9.2	31,800	100.0	691	6,067	10.0	31,808	100.0	680	6,238	10.0

Family personal income (before income taxes)	1958					1959					1960 ¹				
	Federal individual income tax liability			Average family personal income (dollars)	Tax rate (per- cent)	Federal individual income tax liability			Average family personal income (dollars)	Tax rate (per- cent)	Federal individual income tax liability			Average family personal income (dollars)	Tax rate (per- cent)
	Amount (millions of dollars)	Percent distri- bution	Average (dollars)			Amount (millions of dollars)	Percent distri- bution	Average (dollars)			Amount (millions of dollars)	Percent distri- bution	Average (dollars)		
Under \$1,000	180	0.5	33	1,118	2.1	163	0.5	25	1,117	2.3	178	0.5	25	1,115	2.2
\$1,000-\$2,999	640	1.8	116	2,513	4.4	638	1.7	119	2,510	4.7	643	1.8	115	2,512	4.6
\$3,000-\$4,999	1,229	3.7	185	3,507	5.3	1,198	3.2	160	3,508	5.0	1,115	2.9	168	3,508	5.1
\$5,000-\$9,999	1,897	5.6	279	4,403	6.2	1,847	5.0	288	4,400	6.4	1,748	4.9	278	4,400	6.2
\$10,000-\$14,999	2,798	7.6	401	5,492	7.3	2,680	6.9	411	5,495	7.5	2,878	8.2	399	5,496	7.3
\$15,000-\$19,999	4,124	12.5	551	6,690	8.2	4,420	11.8	585	6,718	8.4	4,378	11.4	546	6,720	8.1
\$20,000-\$24,999	5,143	15.3	747	8,563	8.7	5,868	15.7	749	8,587	8.8	6,003	15.0	723	8,592	8.5
\$25,000-\$34,999	3,409	10.1	1,250	11,045	10.7	6,177	19.6	1,173	11,046	10.8	6,572	17.1	1,127	11,034	10.1
\$35,000-\$49,999	2,681	8.3	2,088	17,144	12.5	2,630	6.7	2,100	17,083	12.3	3,191	9.4	2,150	17,144	12.5
\$50,000-\$74,999	1,718	5.1	3,313	22,203	14.9	1,938	6.2	3,225	22,219	15.0	1,424	4.0	4,500	22,225	17.9
\$75,000-\$99,999	3,991	11.3	0,880	33,280	19.8	4,205	11.3	6,842	33,188	20.0	4,578	12.5	28,812	33,188	20.0
\$100,000 and over	4,070	12.1	27,308	81,860	32.0	4,700	12.8	28,812	84,712	31.0	4,294	12.7	29,143	84,760	31.0
Total	33,088	100.0	618	6,284	9.3	37,370	100.0	979	6,908	10.2	38,398	100.0	686	6,815	10.0

¹ Includes Alaska and Hawaii.

Changes in share for the top 5 percent of consumer units are also evident in the Internal Revenue Service data which provide the basic source for the OBE estimates. The tax return and OBE distributions are not fully comparable because not all income is taxable and because many families file more than one tax return. An examination of the tax return distribution is nevertheless instructive.

When the tax returns are divided into equal percentage groups, similar to those shown in table 10, it is seen that the top quintile has increased its share over the recent period. Also evident is the near stability or slight downward drift in the share of the top 5 percent of tax returns. Both of these findings are consistent with OBE distributions for consumer units.

Gains in lower portion of top fifth

In order to appraise the extent of these changes, distributions were constructed on the assumption that the relative distribution of returns was constant over the period. For this experiment, the tax distribution for 1955, after removal of capital gains, was taken as a base, and synthetic distributions were constructed for each subsequent year using a uniform percentage increase in income throughout the distribution. The synthetic and actual distributions were then compared to see to what extent differential income experience modified the distributions.

When the comparison was made with the actual distribution for 1959, this experiment resulted in fewer returns in the \$15,000-and-over category than actually occurred, suggesting that re-

turns in income classes immediately below that income point in 1955 experienced higher-than-average income increases over the period. Above the \$25,000 income point, however, the experimental distribution for 1959 showed a larger number of returns than found in the actual distribution for that year.

Data are not adequate for a full analysis of changes in the relative distribution of income as it affects the top 5 percent of consumer units. An examination of the available information does not reveal any conspicuous features accounting for the small decline in its share. The examination suggests that the decline is probably due to better-than-average income experience elsewhere in the distribution rather than to any important changes within the top income group itself.

Technical Note

This article brings up to date the estimates of the distribution of families and unattached individuals by family personal income classes. For a detailed discussion of sources and methods, the reader is referred to the Technical Note in the April 1958 issue of the *Survey* and to the supplement to the *Survey* in which the income size distributions were initiated, entitled "Income Distribution in the United States, by Size, 1944-50." (U.S. Government Printing Office, Washington 25, D.C., 1953, Sales stock exhausted.) Prior articles in this series can be found in the *Survey* for March 1955, June 1956, April 1958, 1959, 1960, and May 1961. A discussion of postwar and prewar changes in income distribution is included in the report of the Office of Business Economics on *U.S. Income and Output* (U.S. Government Printing Office, Washington 25, D.C., 1958, price \$1.50).

The family personal income distributions were constructed primarily on the basis of data from the consolidated Federal individual income tax returns and from annual surveys of family income conducted by the Bureau of the Census. An account of the procedures used to develop the estimates can be found in the technical note to the article on size distributions published in the April 1958 issue of the *Survey*. Since complete Internal Revenue Service data were not available for years subsequent to 1959 at the time the current esti-

mates were made, the distributions for 1960 and 1961 are preliminary.

The distributions given in table 3 for the years 1929 and 1941, which are given in terms of 1961 dollars, are included in this article only to permit rough comparison with distributions in selected prewar years and are not to be considered official extensions of the OBE series to those years. The procedures which underlie the distributions for those years differ substantially from those used by OBE and, hence, do not have the same status as other distributions included in the OBE series. The two prewar distributions are the results of various adjustments for comparability made to distributions constructed elsewhere.

An account of some of the procedures used to adjust these distributions can be found in "Size Distribution of Income Since the Mid-thirties" by Goldsmith, et al., published in *The Review of Economics and Statistics*, February 1954 and, by the same author, in "The Relation of Census Income Distribution Statistics to Other Income Data," *Studies in Income and Wealth*, Vol. 23, National Bureau of Economic Research, New York, 1958.

Definition of terms

The definitions of families and unattached individuals are those adopted by the Bureau of the Census. Families are units of two or more persons related by blood, marriage, or adoption, and residing together. Unattached individuals are persons not living in institutions or with relatives. The total number of

families and unattached individuals is estimated as of the end of the year and, together, are referred to as consumer units.

Farm operator families are those operating farms as defined by the 1954 Census of Agriculture. The nonfarm group includes all multiperson units other than farm operator families.

The concept of family personal income is identical to that of personal income in the national income accounts except that some adjustments have been made to remove income received by institutional residents, military personnel overseas and those not living with their families, and income retained by nonprofit institutions, private trust, pension and welfare funds. The national income account concept of personal income includes wage and salary receipts (net of social insurance contributions), other labor income, proprietors' and rental income, and transfer payments. These include certain nonmoney items such as wages in kind, the value of food and fuel produced and consumed on farms, the net imputed rental value of owner-occupied homes, and imputed interest.

Aggregate Federal individual income tax liability is defined as the total liability reported on individual income tax returns, plus an estimate for amounts uncovered by subsequent audit, minus the liability of military personnel not living with their families, and minus liability on net capital gains.

Table 12.—Distribution of Consumer Units and of Family Personal Income After Federal Individual Income Tax Liability, by Level of After-Tax Income, 1955-60

Family personal income after Federal individual income tax liability	1955					1956					1957				
	Number of families and unattached individuals (thousands)	After-tax family personal income		Percent distribution		Number of families and unattached individuals (thousands)	After-tax family personal income		Percent distribution		Number of families and unattached individuals (thousands)	After-tax family personal income		Percent distribution	
		Aggregate (millions of dollars)	Average (dollars)	Number	After-tax income		Aggregate (millions of dollars)	Average (dollars)	Number	After-tax income		Aggregate (millions of dollars)	Average (dollars)	Number	After-tax income
Under \$2,000	8,758	10,119	1,155	10.9	3.8	8,512	9,459	1,102	15.5	3.3	8,191	9,234	1,148	15.2	3.1
\$2,000-\$2,999	8,610	16,401	2,519	12.5	6.2	8,584	16,076	2,518	11.8	5.3	8,050	14,594	2,519	11.1	5.0
\$3,000-\$3,999	7,962	23,030	3,008	15.3	10.5	7,591	20,498	3,515	14.4	9.3	7,186	25,207	3,908	13.4	8.4
\$4,000-\$4,999	8,187	30,826	4,408	15.7	13.9	8,152	30,627	4,408	13.4	12.8	7,639	34,431	4,502	14.3	11.4
\$5,000-\$5,999	8,694	36,006	5,477	12.9	13.8	8,709	37,265	5,485	12.9	13.1	8,935	37,791	5,494	12.5	12.5
\$6,000-\$6,999	8,050	40,275	6,067	11.0	15.2	8,372	43,823	6,680	12.1	14.9	8,821	46,639	6,083	12.7	15.2
\$7,000-\$7,999	4,032	34,333	8,600	7.7	12.0	4,932	41,900	8,510	9.3	14.7	5,542	47,505	8,617	10.3	15.7
\$8,000-\$8,999	2,580	32,830	11,903	5.0	11.0	3,305	38,176	11,811	6.1	13.4	3,875	43,780	11,914	5.8	14.0
\$9,000-\$9,999	729	12,427	17,001	1.4	4.7	883	15,024	17,007	1.7	5.3	1,023	17,329	17,001	1.9	5.8
\$10,000 and over	518	18,028	31,775	1.2	7.4	714	22,672	31,021	1.8	7.9	787	25,184	31,013	1.5	8.3
Total	52,170	245,539	5,490	100.0	100.0	52,540	285,645	5,403	100.0	100.0	53,850	298,547	5,528	100.0	100.0

Family personal income after Federal individual income tax liability	1958					1959					1960 ¹				
	Number of families and unattached individuals (thousands)	After-tax family personal income		Percent distribution		Number of families and unattached individuals (thousands)	After-tax family personal income		Percent distribution		Number of families and unattached individuals (thousands)	After-tax family personal income		Percent distribution	
		Aggregate (millions of dollars)	Average (dollars)	Number	After-tax income		Aggregate (millions of dollars)	Average (dollars)	Number	After-tax income		Aggregate (millions of dollars)	Average (dollars)	Number	After-tax income
Under \$2,000	8,052	9,193	1,138	14.8	3.0	7,945	9,045	1,139	14.4	2.8	7,005	8,830	1,135	12.5	2.5
\$2,000-\$2,999	8,102	15,345	2,517	11.2	5.0	8,551	14,452	2,513	10.6	4.5	8,004	14,058	2,514	10.0	4.1
\$3,000-\$3,999	7,392	25,030	3,500	13.5	8.4	8,552	24,044	3,502	12.4	7.8	8,014	23,221	3,511	11.8	6.7
\$4,000-\$4,999	7,910	33,790	4,403	13.8	10.9	7,150	32,159	4,497	12.8	9.8	7,032	31,028	4,498	12.6	8.2
\$5,000-\$5,999	8,330	37,528	5,487	13.5	12.1	8,718	36,892	5,491	12.1	11.2	8,739	37,032	5,492	12.0	10.7
\$6,000-\$6,999	8,000	40,717	6,078	12.8	15.1	7,815	40,432	5,895	13.6	15.4	7,855	42,944	6,002	13.0	15.3
\$7,000-\$7,999	5,530	30,045	6,497	10.7	10.1	6,073	35,229	6,565	11.9	17.1	7,132	31,530	6,596	12.8	17.8
\$8,000-\$8,999	3,811	40,413	11,008	7.2	15.0	4,514	32,869	11,835	8.2	15.4	4,930	36,782	11,008	8.8	17.0
\$9,000-\$9,999	1,095	18,080	16,970	2.0	6.0	1,256	21,300	16,823	2.3	6.0	2,403	27,806	23,192	4.4	16.7
\$10,000 and over	525	20,072	31,510	1.5	8.4	524	29,453	31,593	1.7	9.0	525	34,320	31,510	1.5	16.9
Total	54,820	268,557	5,490	100.0	100.0	55,594	325,061	5,962	100.0	100.0	59,009	345,320	6,100	100.0	100.0

1. Includes Alaska and Hawaii.